



Transparency & Accountability

Curtis M. Loftis, Jr – State Treasurer

Retirement System Investment Commission

- Earns Too Little
- Pays Too Much
- Too Complex
- Puts Us At Risk



Transparency & Accountability

Curtis M. Loftis, Jr – State Treasurer

- Trustee: Budget & Control Board
- Voting Member: Investment Commission
- Custodian: State Treasurer



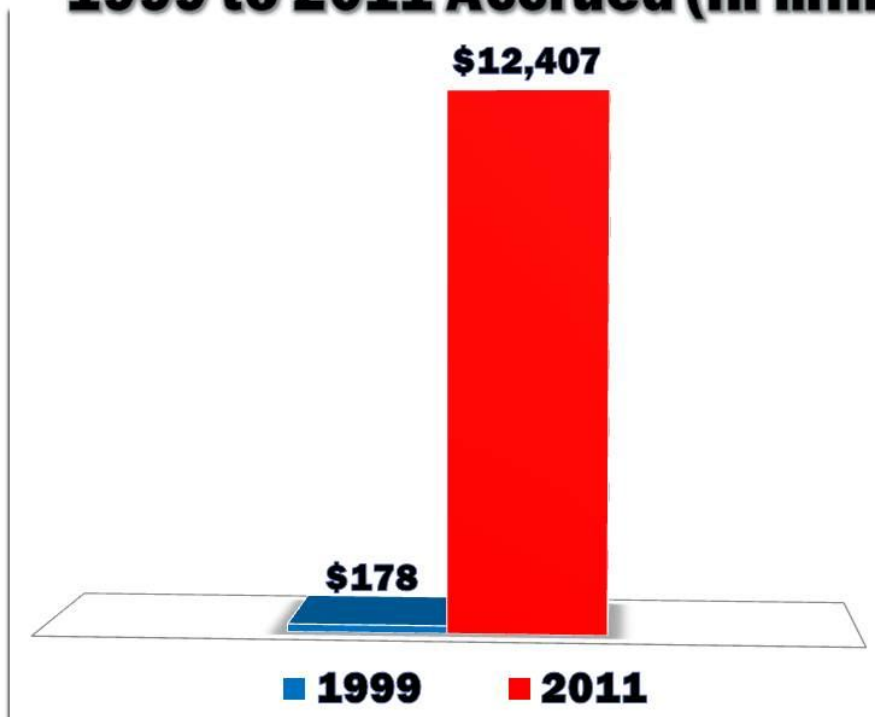
Transparency & Accountability

Curtis M. Loftis, Jr – State Treasurer

- Responsible for investment, cash management and safekeeping of the State's funds
- Custodian of the SC Retirement Systems

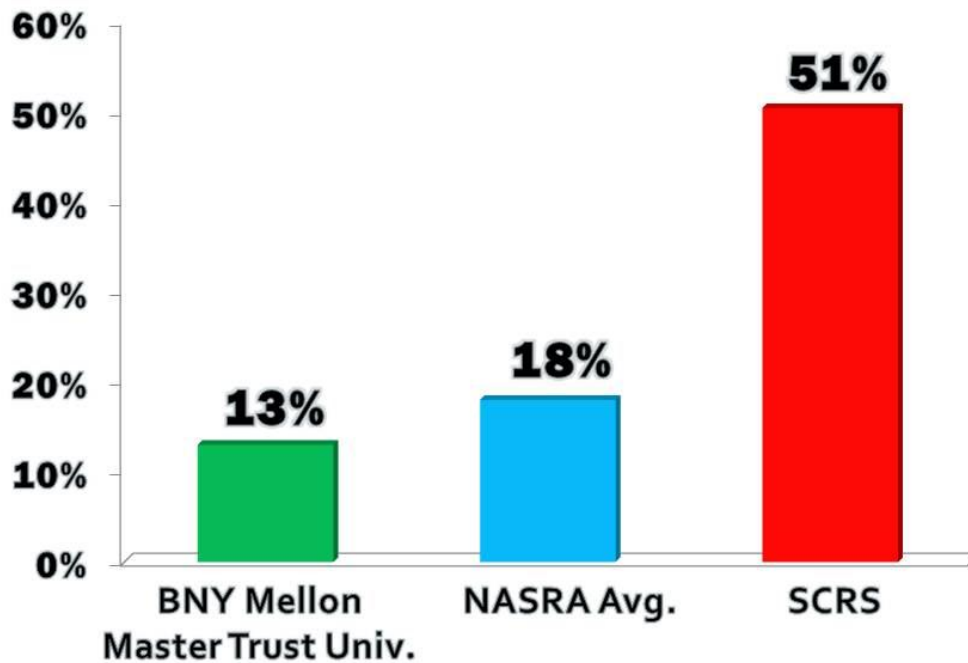


Unfunded Actuarial Liability 1999 to 2011 Accrued (in millions)

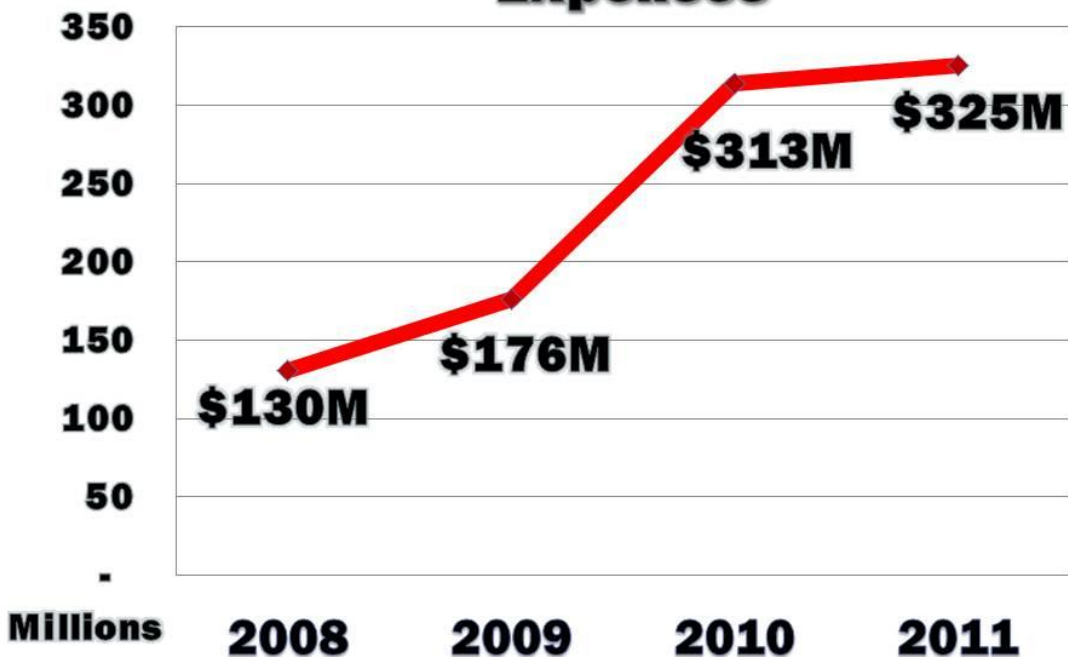




51% of SC's Retirement Fund Invested In Alternative Investments



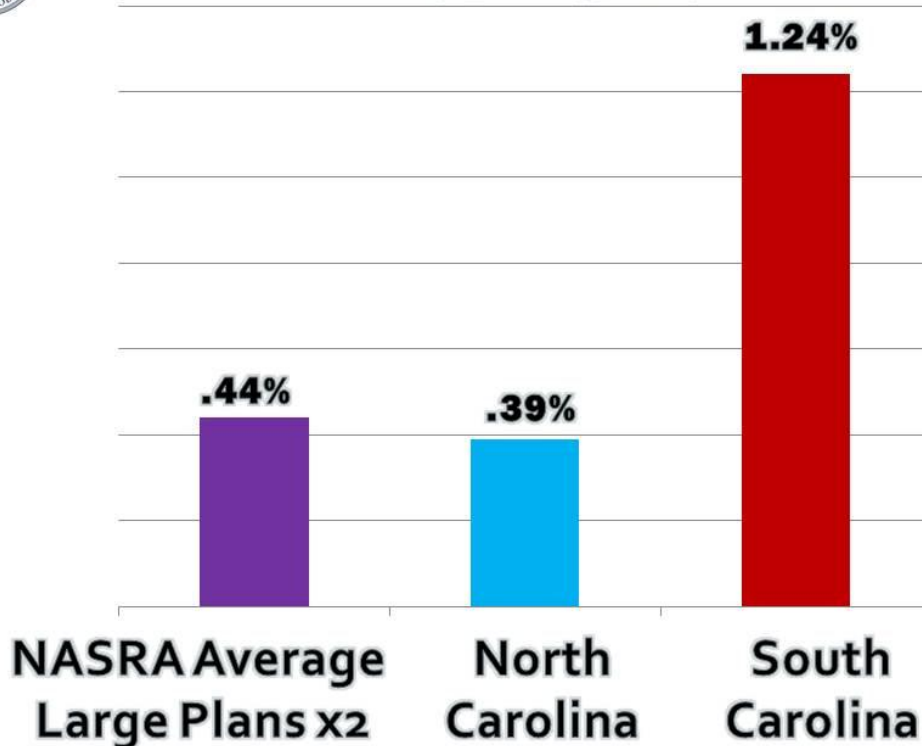
Investment Management Fees & Expenses





2011 Investment Fees & Expenses

(% of Ending Assets)

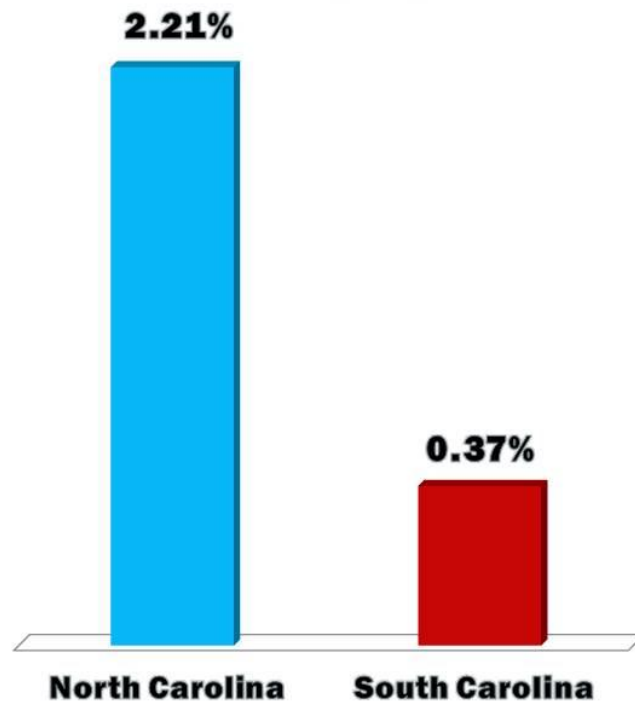


Transfer Of Wealth: SC's Working Class To Wealthy





2012 Investment Rates of Return (Net)



2011 Risk Assessment and Strategic Analysis

- **7 = "High Residual Risk"**
- **4 = "Medium Residual Risk"**
- **0 = Areas Deemed Low Risk**



2011 Risk Assessment and Strategic Analysis

- Risk and compliance programs
- Financial statement risk
- Service provider oversight

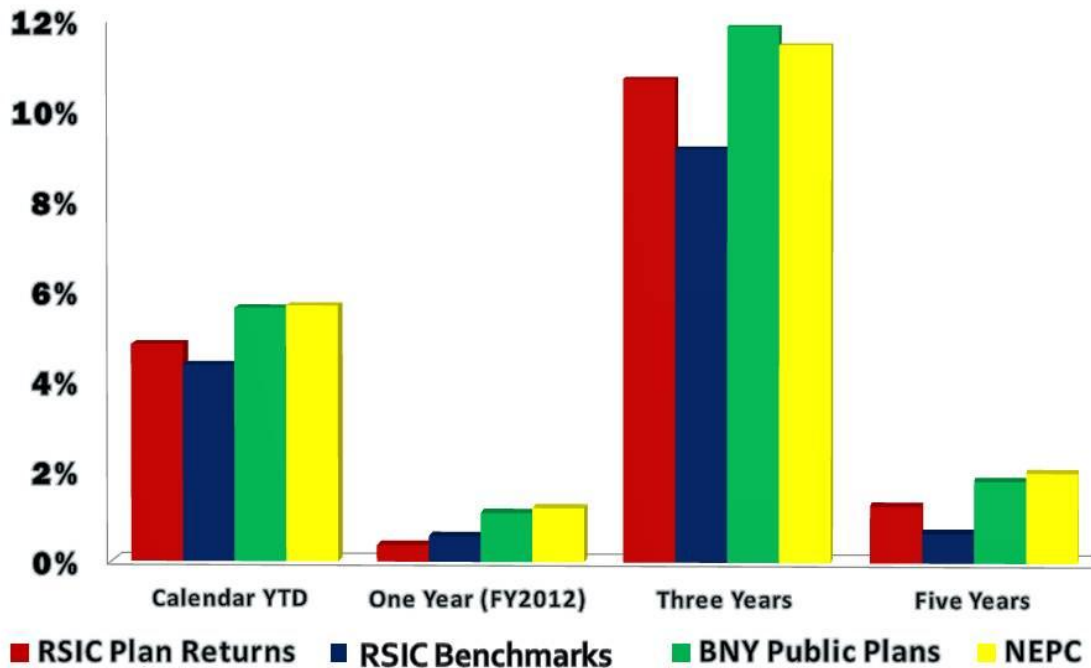


2012 Risk Assessment and Strategic Analysis

- ADOPT and implement due diligence guidelines
- Need ongoing monitoring
- Challenge manager valuations
- Understand underlying investment strategies



On Outperforming Benchmarks, Underperforming Peers

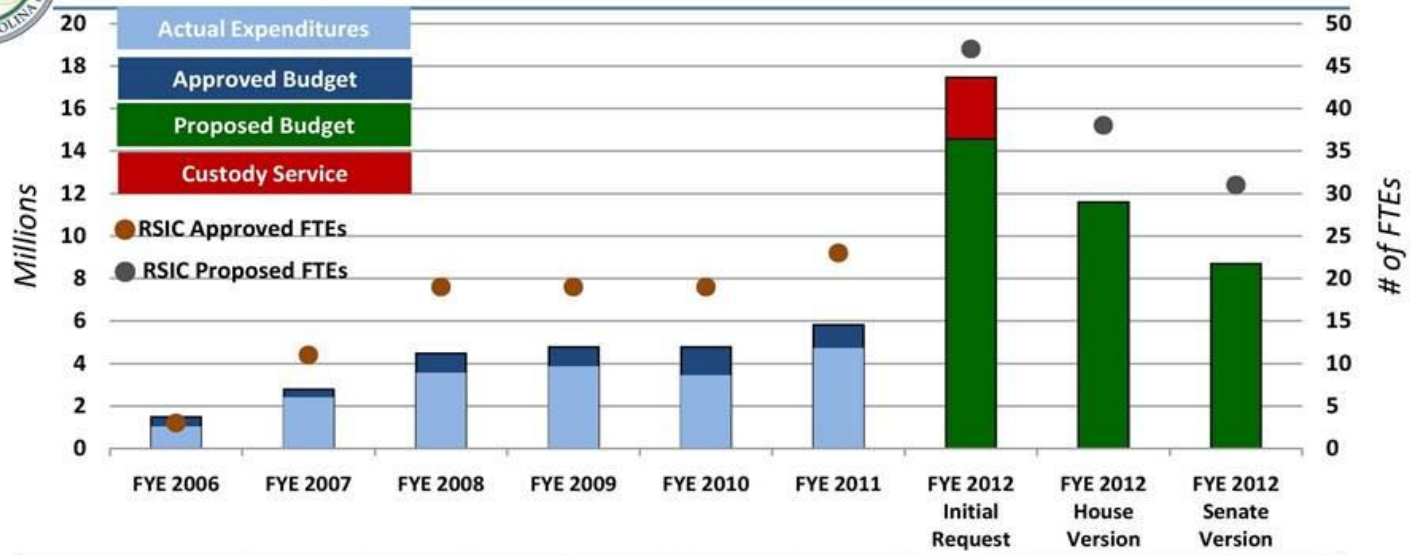


“RSIC successfully built out all of its internal controls in its oversight structure.”

- Chairman Reynolds Williams July 12, 2012 Budget & Control Board Meeting



History of RSIC Budget



	FYE '06	FYE '07	FYE '08	FYE '09	FYE '10	FYE '11	'06-'11 Totals	FYE '12 Initial Request	FYE '12 House Version	FYE '12 Senate Version
(in millions)										
Approved Budget	\$1.5	\$2.8	\$4.5	\$4.8	\$4.8	\$5.8	\$24.1	\$17.5	\$11.6	\$8.7
Actual Expenditures	\$1.0	\$2.4	\$3.6	\$3.9	\$3.4	\$4.7	\$19.0	N/A	N/A	N/A
Surplus/(Deficit) \$	\$0.4	\$0.4	\$0.9	\$0.9	\$1.3	\$1.1	\$5.1	N/A	N/A	N/A
Surplus/(Deficit) %	29.9%	13.7%	20.1%	19.4%	28.1%	19.1%	21.2%	N/A	N/A	N/A
Available FTEs	3	11	19	19	19	23		47	38	31



Transparency & Accountability
Curtis M. Loftis, State Treasurer

character
honor
candor
accountability
transparency
willingness
duty



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Investment Commission

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